

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 2808 - SB 2833**

March 5, 2010

**SUMMARY OF BILL:** Adds services provided to an individual with a disability by non-profit organizations created specifically to provide care to one or two related individuals with a disability to the definition of medical services within the TennCare provisions. Defines “individual with a disability” as those in Title XIX of the United States Code or any individual who is a past or current recipient of supplemental security income or social security disability benefits.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – Exceeds \$75,738,400**

**Increase Federal Expenditures – Exceeds \$145,589,600**

**Assumptions:**

- Medical services provided by non-profit organizations that provide care to one or two related individuals would become a mandatory benefit. The Bureau estimates that this would exceed \$1,000,000 and would be funded with only state funds.
- According to the Bureau of TennCare, the provisions of the bill would grant eligibility to current and former supplemental security income and social security disability insurance recipients who are not currently eligible.
- According to the Bureau of TennCare, approximately 29,000 individuals were disenrolled from medical assistance provided under the TennCare program as a result of ineligibility for supplemental security income (SSI) in accordance with the process approved in the *Daniels v Goetz* litigation. Restoring eligibility for these 29,000 would result in an increase in expenditures of approximately \$221,328,000.
- The fiscal impact of this bill is dependent upon several unknown factors such as the number of individuals who will become eligible for services, the types of medical needs of the individuals, the medical expenses incurred by those individuals, and the individuals who would qualify for federal matching funds.
- Given the extent of unknown factors, determining a precise fiscal estimate for this bill is difficult. This bill has the effect of extending TennCare eligibility status under certain circumstances. As a result, the state will incur additional expenditures for providing services that are not currently provided by the program. The extent of additional services and additional enrollees in any given year is unknown and difficult to quantify. However, the increase to state expenditures is reasonably estimated to exceed

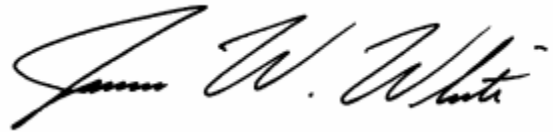
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\$221,328,000 per year based on restoring eligibility to those disenrolled through the *Daniels v Goetz* litigation.

- While there could be a portion of these individuals who will not be eligible for the state to receive federal matching funds, it is assumed that there would be some federal funds received for services provided to this population. Of the \$221,328,000, the state portion will be \$75,738,441.60 at a rate of 34.22 percent and the federal portion will be \$145,589,558.40 at a match rate of 65.78 percent.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/kml